

### **REMARKS**

Claims 17-46 are now pending and stand rejected. By this Amendment, Applicant has amended claims 17 and 32 to address the 35 U.S.C. Section 112 rejections and demonstrates reasons by which the claims pending here are distinct from the asserted art. Reconsideration of this application is earnestly solicited.

#### **Discussion of 112 Rejections**

In paragraphs 2 and 3 of the office action, the Examiner rejected claims 17-46 under 35 U.S.C. Section 112, first paragraph, as failing to comply with the written description requirement. The Examiner indicated that the phrase “a particular vendor site” was not supported, and instead pointed to references in the specification of “an appropriate vendor location.” Applicant has amended claims 17 and 32 to reference “an appropriate vendor” instead of “a particular vendor.” The term “site” is used instead of “location” throughout the specification, therefore, that term is left unamended.

(e.g., see specification, at page 8, line 27)  
(e.g., see specification, at page 8, line 29)  
(e.g., see specification, at page 11, line 33)  
(e.g., see specification, at page 13, line 29)  
(e.g., see specification, at page 18, line 19)  
(e.g., see specification, at page 19, line 13)  
(e.g., see specification, at page 19, line 15)  
(e.g., see specification, at page 19, line 18)  
(e.g., see specification, at page 19, line 20)  
(e.g., see specification, at page 30, line 6)  
(e.g., see specification, at page 30, line 13)  
(e.g., see specification, at page 30, line 29)  
(e.g., see specification, at page 31, line 7)  
(e.g., see specification, at page 33, line 8)

**Discussion of 103 Rejections**

***Legal Construct Governing 35 U.S.C. § 103 Rejections***

For rejections under 35 U.S.C. Section 103, the establishment of a *prima facie* case of obviousness requires that all the claim limitations must be taught or suggested by the prior art. MPEP § 2143.03 The establishment of a *prima facie* case of obviousness requires that the claimed combination cannot change the principle of operation of the primary reference or render the reference inoperable for its intended purpose. MPEP § 2143.03.

The Supreme Court set the standard for evaluating obviousness in its recent decision (*KSR International Co. v. Teleflex Inc. et al.* (550 U.S. 127 S. Ct. 1727 (2007))) to be “expansive and flexible” and “functional.” However, even with this standard, it should be recognized that the various noted factors only “can” or “might” be indicative of obviousness based on the facts. The Supreme Court in KSR enunciated the following principles:

“[w]hen a work is available in one field of endeavor, design incentives and other market forces can prompt variations of it, either in the same field or a different one. If a person of ordinary skill can implement a predictable variation, Section 103 likely bars it patentability. For the same reason, if a technique has been used to improve one device, and a person of ordinary skill in the art would recognize that it would improve similar devices in the same way, using the technique is obvious unless its actual application is beyond his or her skill....[A] court must ask whether the improvement is more than the predictable use of prior art elements according to their established functions.

Simply using the benefit of hindsight in combining references is improper. *In re Lee*, 277 F.3d 1338, 1342-45 (Fed. Cir. 2002); *In re Deminski*, 796 F.2d 436, 442 (Fed. Cir. 1986)). The Supreme Court while recognizing the need “to guard against slipping into the use of hindsight,” acknowledged the following principles:

[r]ejection on obviousness grounds cannot be sustained by mere conclusory statements; instead, there must be some articulated reasoning with some rational underpinning to support the legal conclusion of obviousness.

[I]t can be important to identify a reason that would have prompted a person of ordinary skill in the relevant field to combine the elements in the way the claimed new invention does.

One of the ways in which a patent's subject matter can be proved obvious is by noting that there existed at the time of invention a known problem for which there was an obvious solution encompassed by the patent's claims.

Rather, obviousness is to be determined from the vantage point of a hypothetical person having ordinary skill in the art to which the patent pertains. See 35 U.S.C. § 103(a). The legal construct also presumes that all prior art references in the field of the invention are available to this hypothetical skilled artisan. *In re Carlson*, 983 F.2d 1032, 1038, 25 USPQ 2d 1207, 1211 (Fed. Cir. 1993). The Supreme Court in *KSR* stated that:

a patent composed of several elements is not proved obvious merely by demonstrating that each of its elements was independently, known in the prior art.

An examiner may often find every element of a claimed invention in the prior art. "Virtually all [inventions] are combinations of old elements." *Environmental Designs, Ltd. V. Union Oil Co.*, 713 F.2d 693, 698, 218 USPQ 865, 870 (Fed.Cir. 1983), cert. denied, 464 U.S. 1043 (1984); see also *Richel, Inc. v. Sunspool Corp.*, 714 F.2d 1573, 1579-80, 219 USPQ 8, 12 (Fed.Cir. 1983). If identification of each claimed element in the prior art were sufficient to negate patentability, very few patents would ever issue. Furthermore, rejecting patents solely by finding prior art corollaries for the claimed elements would permit an examiner to use the claimed invention itself as a blueprint for piecing together elements in the prior art to defeat the patentability of the claimed invention. Such an approach would be "an illogical and inappropriate process by which to determine patentability." *Sensonics, Inc. v. Aerosonic Corp.*, 81 F.3d 1566, 1570, 38 U.S.P.Q.2d 1551, 1554 (Fed.Cir.1996). In other words, the examiner must show reasons that the skilled artisan, confronted with the same problems as the inventor and with no knowledge of the claimed invention, would select the elements from the cited prior art references for combination in the manner claimed. The Supreme Court in *KSR* has also stated that:

[o]ften, it will be necessary for a court to look to interrelated teachings of multiple patents; the effects of demands known to the design community or present in the market place.

Further, the Supreme Court states that:

The Court relied upon the corollary principle that when the prior art teaches away from combining certain known elements, discovery of a successful means of combining them is more likely to be nonobvious.

When considering the question of obviousness, further evidence of nonobviousness may also be considered, such as, for example, commercial success of the subject matter. *Perkin-Elmer Corp. v. Computervision Corp.*, 732 F2d 888, 895 (Fed. Cir. 1984).

The claims at issue define substantial improvements over the applied art in the form of combinations of functionalities and system components or equipment that perform those functionalities. When properly viewed against the applicable standard and as shown in detail below, none of the asserted references, when considered either individually or collectively, teach or suggest the claimed combinations of functionalities and system components. The claimed subject matters would have been unobvious to a person of ordinary skill at the time of the inventions claimed in this patent. The secondary consideration of commercial success further supports the conclusion of non-obviousness.

#### ***Discussion of the Rejection Under 103(a)***

In paragraph 5 of the office action, the Examiner rejects claims 17-27, 29-42, and 44-46 under 35 U.S.C. Section 103(a) based on a combination of Shavit et al., in view of Lockwood. In paragraph 6 of the office action, the Examiner rejects claims 28 and 43 under 35 U.S.C. Section 103(a) based on a combination of Shavit et al., in view of Lockwood, as applied to claims 17 and 32, and further in view of Kaye et al.

Applicant has set forth the current legal construct for evaluating obviousness. Given this standard, Applicant indicates the distinctions between the art asserted by the Examiner and the claimed inventions and demonstrates the reasons that negate obviousness.

At the outset, the Examiner indicates that the Shavit is different only because it does not selectively provide “video data for display by an active terminal in accordance with types of merchandise and/or services relating to areas of interest.” Applicant respectfully submits that Shavit does not teach determining related video data based on data on an area of interest expressed by a prospective buyer. In Shavit, one party to a transaction is specifically selected by the other party. Shavit’s system does not teach determining and selecting data (video) related to

an area of interest expressed by a prospective buyer from data provided by an appropriate vendor. The Examiner simply fails to recognize this major distinction and erroneously equates Shavit's system with the Applicant's system. The Examiner relies on Lockwood for teaching the desirability of having a central processor select an appropriate vendor-supplied data source, yet that cannot fill a void or need that is not even recognized by Shavit. In Shavit, one party to a transaction is already selected by the other party. There is no need or basis expressed in Shavit, which requires the central processor to select an appropriate vendor-supplied data source. The desired vendor is already known to Shavit's buyer and indicated by the buyer. Accordingly, based on the current legal construct, Shavit provides no reason that would lead one of ordinary skill to combine the two references in the manner that the Examiner suggests. Accordingly, the Examiner is requested to withdraw the rejection of claims 17-27, 29-42, and 44-46.

Claims 28 and 43 depend from claims 17 and 32, respectively, and are distinct at least for the reasons by which claims 17 and 32 are distinct. Therefore, a further combination with Kaye, still fails to meet all the elements of the claims. The Examiner is respectfully requested to withdraw the rejection of claims 28 and 43.

Favorable allowance of claims 17-46 is respectfully requested. In the event outstanding issues remain, the undersigned respectfully requests the Examiner to contact the undersigned.

Respectfully submitted,

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